History of Proprietary Government in Pennsylvania. By WILLIAM R. SHEPHERD, Ph. D. Columbia University Studies in History, Economics and Public Law. Vol. VI. Pp. 601. Price, $4.50. New York: The Macmillan Co., 1896.

After the research given almost exclusively to our federal constitutional development, attention is now being called to that of the colonies and states. This tendency toward a new direction of American political and historical studies must indeed be welcome to all who desire to deepen the existing well of our information in this field. For this reason alone, therefore, the "History of Proprietary Government in Pennsylvania" is deserving of attention. The work is divided into two parts: I., The Land; II., The Government of the Province. Recognition is thus given to a factor in our political development which has been but too often overlooked, the powerful influence exerted on the political and administrative organization of the various colonies by the nature and distribution of the landholdings. In this connection Dr. Shepherd treats the early landgrants, the organization of the proprietary land-office, the rights and prerogatives of the proprietors in respect to land, the transfer of such rights to the state by the divestment act of 1779, boundary disputes with neighboring colonies and like matters, with some detail. The main interest of the essay, however, centres in the second part, where the author sketches briefly Penn's original ideas of government, his humanitarianism and his unselfish and determined espousal of democratic ideals. Penn insisted that the people must rule and wished "to leave to himself and successors no power of doing mischief, that the will of one man may not hinder the good of a whole country." Considerable space is devoted to the dissensions between the settlers and the proprietor, the mistakes of the latter and the exacting and arbitrary demands of the colonists. A more complete picture would perhaps be presented were the needs and claims of the settlers treated somewhat more fully with reference to their origin and growth. Considered, however, as an impartial history of this period from the governmental or proprietary side, the work may be regarded as a valuable addition to the literature of the subject.

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International Bimetallism. By FRANCIS A. WALKER. Pp. 297. Price, $1.25. New York: Henry Holt & Co., 1896.

As the subject of international bimetallism promises to be prominent in the discussions of the coming Congress, it is worth while

to call attention to the last work published by General Francis A. Walker. The book has not received the attention which it deserves. Its publication during the free silver campaign is probably responsible for the coldness of its reception by newspaper critics. As a whole it could not be used as a campaign document by either political party. It pointed out the disadvantages of monometallism and was, therefore, unpopular with the advocates of the single gold standard. On the other hand, no intelligent, unprejudiced reader could finish the book without coming to the conclusion that the free coinage of silver in this country alone would result in a useless and hurtful transition to a single silver standard. General Walker's book, therefore, while it has been denounced and derided by superficial critics, has received little candid consideration, and the general public is probably in ignorance of its merits and of its real purpose or thesis.

For twenty years General Walker was the foremost advocate of bimetallism on this side of the Atlantic. He never concealed his views upon the subject and in his various works, which have probably been more widely read than those of any other American economist, the advantages of bimetallism have been clearly and vigorously set forth. In collecting into a single volume a concise statement of what he conceived to be the argument for bimetallism, he was but continuing a scientific work which had occupied a large part of his life and it could not have occurred to him that any man having intelligence enough to read his book would yet be stupid enough to suppose that he favored the independent free coinage of silver in this country, a policy utterly discredited by the fundamental assumptions underlying his whole argument. "International Bimetallism" presents various reasons for dissatisfaction with the single gold standard, but there is not a line in it favoring the independent free coinage of silver in the United States. No one can question the candor with which he says in the preface: "While this little work, as the account of its origin shows, was prepared without the slightest reference to the impending political contest in the United States, I shall be glad if it proves to be in any degree instructive with reference to the question which is destined to underlie that great struggle."

The book is the outcome of a course of lectures given at Harvard University during the academic year 1895-96. It is popular in form and style, and can be read with understanding by men who have not had a training in economic theory. General Walker was too experienced a teacher not to know that he could very easily shoot over the head of the average university student. In the first of the eight

chapters he gives an interesting sketch of the early production and use of the precious metals. He points out clearly the significance with respect to mining of the change from slave labor to free labor, and the wastefulness of the policy which placed the mines at the disposal of the irresponsible farmer. In the second chapter he discusses briefly the monetary problems of the period from Augustus to Columbus and explains certain general propositions relating to the theory of money. Bimetallism in England is considered in the third chapter. This is followed by a sketch of French and American bimetallism; then a concise chapter upon the demonetization of silver and a review of the important conferences and commissions which have had the money question under consideration since 1875. The book closes with a remarkably clear summary of the leading facts and arguments bearing upon the whole discussion.

Much material not contained elsewhere in any single volume is found in this book. Almost every issue which has arisen in monetary discussion since 1870 is touched upon, so that a thoughtful reader is able to get from the volume a fairly comprehensive acquaintance with the whole subject. But the arrangement is defective. Theory is so interwoven with fact that considerable skill is required to disentangle the argument. In the chapter headed "Augustus to Columbus" we find a brief statement of the quantity theory of money; half the chapter on "French Bimetallism" is devoted to an exposition of the benefits of bimetallism, while the greater part of the "Review and Summary" treats of falling prices and credit. It is unfortunate that the theoretical discussion is thus scattered through the book, for no reader can perceive the significance of financial events until he has mastered the fundamental principles in the theory of money. The general reader who wishes to understand this book thoroughly, ought first to read either the author's work on "Money" or the chapters relating to money in his "Political Economy." Having thus obtained a grasp of the theory of the subject, he will find the volume on international bimetallism easy and profitable reading.

General Walker's argument on behalf of bimetallism is threefold: First, it will yield a more stable standard of value than monometallism; second, it will give the silver and gold countries of the world a common par of exchange; third, "the argument from the status," to wit: it would check the present downward tendency of prices and thus encourage all forms of industry. The first argument is in the main theoretical, but he endeavors to show that it does not lack inductive confirmation. This object he has in view throughout all his discussion of bimetallism in England, France and the United

States. He certainly makes it appear that the facts are on the side of the bimetallist. If one denies the so-called bimetallic law, according to which the world's money demand under bimetallism shifts from the dearer to the cheaper metal, thus preventing wide divergence from the coinage ratio, it is difficult to explain why gold and silver, despite great variations in product-ratios, varied so little in their value-ratios during the first seventy years of this century. General Walker makes this point very clear, but he does not make so clear as he might have done the reasons why the metals did not steadily conform to the French coinage ratio of 15½ to 1. Various countries, including the United States, were offering commodities for sale for gold or silver at ratios different from that of the French mint. This fact furnishes abundant *a priori* reason for expecting to find the two metals exchanging at other than the French ratio in the markets of the world. Indeed, the French ratio was only a coinage-ratio, and on account of the different seigniorage charges upon gold and silver it could not have coincided with the value-ratio between the two metals. The seigniorage was nine francs per kilo on gold and three francs on silver. Thus the value-ratio between the metals corresponding to the coinage-ratio was 15.69 to 1, and the two metals might fluctuate in value from 15.45 to 1 to 15.74 to 1 without any chance for profit from the melting or exportation of gold or silver coin. General Walker touches upon this matter, but he does not give it sufficient emphasis.

It is doubtful whether the average reader will get a clear idea of the relation of so-called market value to the coinage value of gold and silver. The free coinage of a metal for use as money makes the metal itself money, adds to it a utility which it formerly did not possess, and makes it, therefore, the object of an entirely new demand. This demand is felt in all the markets of the world and helps make what is called the market value of the metal. This is an important theoretical consideration, since many writers, especially those who advocate monometallism, tacitly assume that the market value of gold or silver is purely an affair of commerce, the result of forces entirely independent of mints and statutes. As a matter of fact, however, no country can adopt either gold or silver as money and open its mints freely to the coinage of either metal, without affecting the market or so-called commercial value of the metal. In fact, there is some reason for believing that the money demand for gold at the present time contributes more to its market value than what is called the commercial demand. It is a favorite assumption of the monometallist that the value of gold is due to its uses in the arts and its cost of production, and that its use as money does not add

to its value. These are matters of theory, but they are of vital importance. Until they are agreed upon there can be no settlement of the controversy between monometallist and bimetallist. General Walker understood the theoretical side of the argument thoroughly, and it is to be regretted that he did not, in this book, give more space to a statement of it. He frequently uses the expression "market-ratio" as if it were a thing having no connection with the use of the metals as money. This will confuse the reader who seeks clear ideas.

Little fault can be found with General Walker's statement of what is known as the quantity theory of money. It is nothing more or less than the law of demand and supply applied to money. However, he gives so little space to the theory in this book that a reader who has not had a general training in economics will fail to perceive the full force of his argument. He lays himself open to criticism by the use of such language as "insufficiency of gold" and "restricted money supply." Those phrases throw the emphasis upon supply. They imply to the careless or prejudiced reader that prices have fallen in recent years because of changes in the supply of gold. The monometallist promptly sticks a pin in them by pointing triumphantly to the increasing production of gold in recent years. General Walker's meaning is that the demand for gold has increased at a faster pace than its supply, and that in consequence its value has risen, prices falling correspondingly. Scientifically the phrase "insufficiency of gold" is justifiable. It means simply that the amount of gold in the world is not sufficient to maintain prices at the old level. Yet the change in the value of gold is due to the increased demand for it, and a writer who does not wish to be misunderstood must avoid language which puts the emphasis upon the supply.

General Walker shows, perhaps, too little patience with the monometallist's contention that the recent fall in prices has been caused by improvements in production. It is not strange that he was impatient with this theory, for its advocates have frequently deduced from it the remarkable conclusion that gold has not risen in value, but that all other things have fallen. Improvements in production, growth of population and an increasing volume of exchanges, these things mean simply an increased demand for money, and if the supply of money does not increase in something like equal proportion, prices must fall. On the other hand, all these changes might take place and yet prices not fall, for the supply of money might be increased more rapidly than the demand for it. The theory that gold has not appreciated because the fall of prices has been due to

improvements in production may not be "monstrous," as General Walker calls it, but unless we invent new definitions of the words "value" and "appreciation," we must admit that he is right in calling it "absurd."

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